

The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC 9132-83
20 December 1983

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

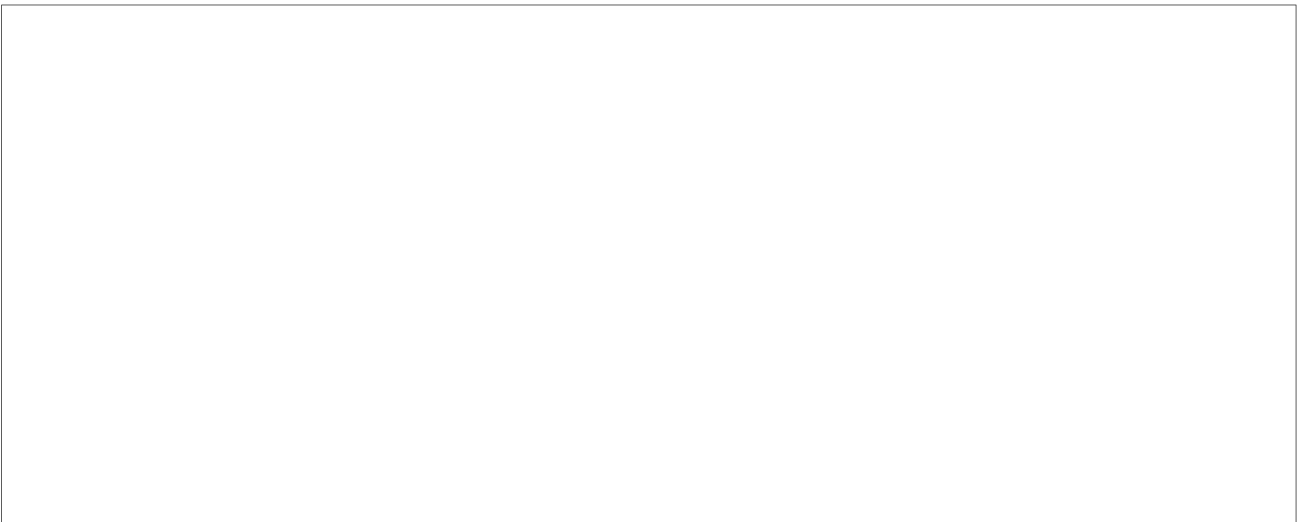
FROM: John Horton
National Intelligence Officer for Latin America

SUBJECT: December Warning and Forecast Meeting: 14 December 1983

Peru

1. The economy of Peru is not resilient and none of the statistics are cheerful. With inflation at 130% in 1983, a large drop in tax revenues, heavy imports of foodstuffs, and soft mineral and petroleum prices, the country is also out of compliance with IMF. The government party did poorly in the elections, partly because of the economic situation and partly as a vote of no confidence in the campaign against the Sendero Luminoso.

2. The military is unlikely to intervene unless governmental authority is lost throughout the country. A world economic recovery, good weather--meaning El Niño is to be more benevolent than last year--and Peru's diversified export structure offer grounds for hope. Population growth, movement from the countryside into the cities, and the sharp divisions in the country--sierra versus the coast, rich versus poor, ethnic and racial differences--however, work against the long-term chances for stability in Peru.



25X1

25X1

SECRET

Refugees in Central America (See table attached)

4. Some 440,000 refugees have left their homelands for other parts of Central America. (This does not include those in the US.) Some 750,000 more are internally displaced within their homelands. Our interest in them comes from humanitarian impulses, from their destabilizing influence, and from the strain they cause between the countries concerned.

5. El Salvador, Guatemala, and Nicaragua are the countries generating a refugee flow. Salvadorans have gone to all countries in Central America. In Honduras they are in camps; in Guatemala and Nicaragua they are largely integrated into society. The United States Commissioner for Refugees (UNCR) pays most of the bills for the care of refugees, considerably relieving the financial strain on the host countries.

6. Guatemalans are in Mexico in 70 to 80 small settlements along the border. [REDACTED]

[REDACTED] The Mexican Government is uncomfortable about the border and they do not admit that Guatemalan troops or Guatemalan guerrillas have violated the border. Nevertheless they have formed a new military command in the area, the latest in a number of steps to pay attention to security in that region.

7. Nicaragua is a major host and a major generator of refugees. As many as 200 refugees a week are now streaming into Costa Rica, causing potentially serious problems there. Much of the refugee flow from Nicaragua is the result of deliberate government policies--the Miskito and some Sumo Indians who have fled to Honduras furnish the most striking example. The ladino population is also under pressure from Managua as the government clears areas where the insurgents operate, such as Nueva Segovia in the north, and in the south along the Rio San Juan.

8. Mexico is a reluctant host, forcing Salvadorans to return to El Salvador to renew their resident permits, for example. Guatemalans are confined to the area 15 kms. from the border and are not allowed to hold jobs. The government, as mentioned above, recognizes that there is a security problem. The most severe impact is on Honduras where Miskitos and Sumos and ladinos have fled from Nicaragua and are in camps in Honduras. There is serious worry that some refugees support the insurgency in El Salvador. UNCR is talking of resettling refugees in Olancho which bothers the Hondurans who have their own landless peasants to be resettled. The camps in Costa Rica cannot be expanded and the government does not know what to do with the refugees: they are not wanted on the border with Nicaragua nor would they be welcome to occupy land in the central valley.

9. The outlook is not good. There seems to be no prospect for improvement in either the economic or the political situation. Indeed, they could well get worse, generating more refugees.

SECRET²

Page Denied

Next 4 Page(s) In Document Denied